

## ARROWHEAD REGIONAL MEDICAL CENTER

### BUDGET UNIT: TOBACCO TAX (RGA THROUGH RGR)

#### I. GENERAL PROGRAM STATEMENT

The Arrowhead Regional Medical Center established these funds in 1989-1990 to facilitate the transfer of Tobacco Tax funds to the County hospital, Non-County hospitals and Physicians, as required by the State Department of Health Services. The funds will then be disbursed per guidelines established by the state. There is no staffing associated with this budget unit.

These funds are allocated by the state to county hospitals, non-county hospitals, and physicians to partially reimburse them for uncompensated medical services. ARMC is projected to net approximately \$2.78 million from this revenue source in 2003-04, and will transfer the balance to area hospitals in accordance with the prescribed distribution formula.

#### II. BUDGET & WORKLOAD HISTORY

	<b>Actual 2001-02</b>	<b>Budget 2002-03</b>	<b>Estimated 2002-03</b>	<b>Department Request 2003-04</b>
Total Requirements	2,194,832	5,598,797	4,456,462	4,848,614
Total Financing Sources	1,711,201	4,791,542	4,456,462	4,041,359
Fund Balance		807,255		807,255

The distribution schedule for these funds is three months behind. Currently, the Medical Center receives nine months of this year's allocation plus three months of the previous year allocation. The estimated revenue for 2002-03 is down since the Medical Center budgeted for fifteen months worth of revenue but will only receive revenue for a twelve-month period.

The 2002-03 estimated revenue is based on the state's allocation letter received by the Medical Center. The department's request for 2003-04 assumes a decrease in revenues, consistent with recent trends for receipt of revenue from taxes imposed on tobacco products.

#### III. HIGHLIGHTS OF RECOMMENDED PROGRAM FUNDED ADJUSTMENTS

##### STAFFING CHANGES

None.

##### PROGRAM CHANGES

The state continues to reduce the amount distributed to counties for Tobacco Tax and has eliminated entirely the amount paid to physicians. These funds may be reduced even more in the future with the pending state budget crisis.

##### OTHER CHANGES

None.

#### IV. VACANT POSITION IMPACT

None.

#### V. OTHER POLICY ITEMS

None.

#### VI. FEE CHANGES

None.

GROUP: Human Services System  
DEPARTMENT: Arrowhead Regional Medical Ctr - Tobacco Tax  
FUND: Special Revenue RGA through RGR

FUNCTION: Health and Sanitation  
ACTIVITY: Hospital Care

ANALYSIS OF 2003-04 BUDGET

	A	B	C	D	B+C+D E
	2002-03 Year-End Estimates	2002-03 Final Budget	Base Year Adjustments	Mid-Year Adjustments	Board Approved Base Budget
<b><u>Appropriation</u></b>					
Services and Supplies	4,456,462	5,576,367	-	-	5,576,367
Total Appropriation	4,456,462	5,576,367	-	-	5,576,367
Operating Transfers Out	-	22,430	-	-	22,430
Total Requirements	4,456,462	5,598,797	-	-	5,598,797
<b><u>Revenue</u></b>					
Use of Money & Prop	120,636	102,122	-	-	102,122
State, Fed or Gov't Aid	4,335,826	4,666,990	-	-	4,666,990
Total Revenue	4,456,462	4,769,112	-	-	4,769,112
Operating Transfers In	-	22,430	-	-	22,430
Total Financing Sources	4,456,462	4,791,542	-	-	4,791,542
Fund Balance		807,255	-	-	807,255

GROUP: Human Services System  
DEPARTMENT: Arrowhead Regional Medical Ctr - Tobacco Tax  
FUND: Special Revenue RGA through RGR

FUNCTION: Health and Sanitation  
ACTIVITY: Hospital Care

ANALYSIS OF 2003-04 BUDGET

	E Board Approved Base Budget	F Recommended Program Funded Adjustments	E+F G 2003-04 Department Request	H Vacant Position Impact	G+H I 2003-04 Proposed Budget (Adjusted)	J 2003-04 Proposed Budget	I+J K 2003-04 Recommended Budget
<b><u>Appropriation</u></b>							
Services and Supplies	5,576,367	(727,753)	4,848,614	-	4,848,614	-	4,848,614
Total Appropriation	5,576,367	(727,753)	4,848,614	-	4,848,614	-	4,848,614
Operating Transfers Out	22,430	(22,430)	-	-	-	-	-
Total Requirements	5,598,797	(750,183)	4,848,614	-	4,848,614	-	4,848,614
<b><u>Revenue</u></b>							
Use of Money & Prop	102,122	42,878	145,000	-	145,000	-	145,000
State, Fed or Gov't Aid	4,666,990	(770,631)	3,896,359	-	3,896,359	-	3,896,359
Total Revenue	4,769,112	(727,753)	4,041,359	-	4,041,359	-	4,041,359
Operating Transfers In	22,430	(22,430)	-	-	-	-	-
Total Financing Sources	4,791,542	(750,183)	4,041,359	-	4,041,359	-	4,041,359
Fund Balance	807,255	-	807,255	-	807,255	-	807,255

# ARROWHEAD REGIONAL MEDICAL CENTER

Recommended Program Funded Adjustments		
Services & Supplies	<u>(727,753)</u>	Twelve months budgeted, only nine months from current year, three months from prior year.
Operating Transfers Out	<u>(22,430)</u>	Eliminate transfer among funds used to correct fund balances.
Total Requirements	<u>(750,183)</u>	
Revenue		
Use of Money & Prop.	<u>42,878</u>	Increase in interest.
State, Fed or Gov't Aid	<u>(770,631)</u>	Twelve months budgeted, only nine months from current year, three months from prior year.
Other Financing	<u>(22,430)</u>	Eliminate transfer among funds used to correct fund balances.
Total Revenue	<u>(750,183)</u>	
Fund Balance	<u>-</u>	